

# Flood News for Michigan Floodplain Managers

A quarterly newsletter of the  
Land and Water Management Division  
Michigan Department of Environmental Quality  
[www.michigan.gov/deq](http://www.michigan.gov/deq)  
Steven E. Chester, Director      Jennifer M. Granholm, Governor

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We are gradually reducing the number of hard copy mailings of the newsletter and relying more upon electronic distribution and availability. If you are not getting an electronic distribution of the newsletter and desire to do so, please notify me. You may respond by e-mail to [thomasl@michigan.gov](mailto:thomasl@michigan.gov), or mail to Les Thomas, MDEQ-LWMD, PO Box 30458, Lansing, MI 48909.

## DISTRICT FLOODPLAIN ENGINEERING STAFF

**SE Michigan: Maria Zingas and  
Patrick Durack**  
Warren 586-753-3700  
**Jackson/Lansing: Donna Cervelli**  
Jackson 517-780-7699  
Lansing 517-335-6266  
**Saginaw Bay: Joy Brooks**  
Bay City 989-686-8025 ext 8364

**Grand Rapids: Matt Occhipinti**  
616-356-0207  
**Kalamazoo: Carrie Wontorcik** 269-567-3564  
**Upper Peninsula: Sheila Meier**  
Gwinn 906-346-8500  
**Cadillac/Gaylord: Susan Conradson**  
Cadillac 231-775-3960 ext 6363

## February 13-15, 2006 MSFA Conference Preview

The Michigan Stormwater-Floodplain Association planning for the nineteenth annual conference is near completion. A program of varied subject areas involving up to 25 presenters has been developed. The program offers a **great opportunity for community leaders and others interested in stormwater and floodplain management** to participate in invaluable sessions that can assist in their community responsibilities.

The tentative program (subject to change) includes the following presentations and opportunities:

- One-day "Certified Floodplain Manager" (CFM) refresher course and proctoring of the CFM exam
- Floodplain management workshop for state building code inspector – continuing education credit (2 credits)
- Robinson Township's Ice Jam Flooding Lessons
- Case studies on flooding rights and easements for stormwater management and drainage projects, alternative stormwater site management, drain improvements, and stream restoration and floodplain storage enhancements.

- Small Watershed Hydrology Calculations
- Flood Insurance: What a Floodplain Manager Should Know
- Update on FEMA's Map Modernization Efforts and Community Priority, DFIRM production, and the map adoption process
- FEMA's Community Rating Service Program One-On-One Opportunity
- Integration of stormwater management by drain commissioners and floodplain managers

- Approximate Floodplain Determinations Using Digital Elevation Data
- Mitigation Grants
- Funding NPDES Requirements with Stormwater Utilities
- Stormwater Management BMPs/Floodplain Protection Easements

For more details or answers to any questions about the conference, please feel free to contact Les Thomas, NFIP Coordinator, MDEQ-LWMD, Lansing, [thomasl@michigan.gov](mailto:thomasl@michigan.gov) or 517-335-3448.

## FEMA DISASTER JOBS AVAILABLE

*Announcement From FEMA*

The recent hurricanes and flooding in Louisiana and the southeastern states have generated the need for additional staff to support the federal recovery efforts. FEMA is looking for qualified individuals to add to its disaster assistance reservists mitigation cadre. Disaster hazard mitigation provides information, guidance and technical assistance to individuals, businesses, and communities to identify resources and techniques to rebuild safer and stronger. Reservists are intermittent, on-call employees who provide support during presidentially declared disasters. They require knowledge and experience in a variety of disciplines: building science and architecture, public education, planning, environmental and historic preservation, property and casualty insurance, floodplain management, and grants management.

If you would like to help the citizens and communities impacted by the recent hurricanes rebuild to a more disaster-resistant standard, you may be interested in these job opportunities. Candidates must be immediately able to work in Louisiana and other southeastern states for an extended period of time. The work environment will be stressful and the hours long. Do not expect air conditioning or a room with a view. Do expect a rewarding job experience, in public service to

the communities and citizens rebuilding their lives.

Fema is looking for highly motivated and flexible individuals with the following qualities:

- Customer service oriented; able and willing to work within culturally diverse audiences, communities and groups
- Sensitive in assisting people who have been through traumatic events
- Possessing technical background with the ability to explain technical matters to non-technical audiences and individuals; and
- Able to perform consistently at a highly functioning level in a stressed and ever changing environment.

Salary will be based on demonstrated experience and the technical difficulty of the position. Travel and per diem are paid at the government rate. Before personnel processing can be completed, applicants will undergo security and credit card background checks. Job-specific training will be provided.

If you are interested in applying for one of the positions, position descriptions are available on the web at:

<http://www.fema.gov/fima/recoveryemployment.shtm>

Please fax your resume and a cover letter explaining your qualifications for the position to 540-542-2484 or 540-542-2482. Adherence to the following four items will expedite your application:

1. Write in big letters MITIGATION across the top of your application. Be sure to capture any experience you have had in emergency management and specifically hazard risk-reduction activities.
2. Please note the degree to which you possess bilingual, multilingual, multicultural, and ADA skills. We especially would like to know if you possess French and Cajun/Creole language skills.
3. Include your social security number, citizenship (applicants must be U.S. citizens), date of birth, and place of birth.
4. Please provide documentation on any professional licenses or certifications as related to positions posted.

The following types of hazard mitigation positions are available in our field offices:

#### Floodplain Management Specialists

Develops and implements strategy for National Flood Insurance Program (NFIP) floodplain management coordination, compliance, and community outreach. Ensures coordination of federal and state recovery activities that affect coastal and riverine floodplain.

#### Insurance Specialists

Provides technical expertise to the disaster field staff on all insurance matters, especially the National Flood Insurance Program. Provides expertise and resources to FEMA staff on insurance interface problem solving and communication. Disseminates flood insurance and floodplain management information to

disaster-affected communities. Attends town and community meetings in the impacted areas to provide information and answer questions about National Flood Insurance Program regulations and policy terms, coverage, limitations and exclusions.

#### Hazard Mitigation Community Planners

Assists local governments with hazard mitigation plan development, review, and approval process. Provides technical assistance to local officials in plan development, revision and review. Provides mitigation and sustainability outreach to the planners within the disaster-impacted area. Ensures integration of plans and planning requirements among mitigation programs and other federal program areas.

#### Grants Managers and Specialists: Hazard Mitigation Grant Program

Develops a strategic plan for FEMA to assist the state in the implementation of the hazard mitigation grant program. Conducts applicant briefings in support of hazard mitigation project management. Manages grants program delivery, to include grant proposal development, and build capability at state and local levels for grants management.

#### Civil Engineers (Structural or Hydrology and Hydraulics)

Conducts engineering studies and analyses. Develops technical reports for internal and external distribution. Provides technical support for and review of hazard mitigation projects. Obtains/develops flood flow-frequency information. Conducts flood analyses and hydraulic studies. Develops benefit-cost analysis for flood control projects.

#### Hazard Mitigation Public Outreach and Education Specialists

Works with federal, state and local partners to create and implement education and outreach strategies to help promote disaster resistant building techniques. Target audiences include individuals, businesses and communities within diverse populations.

### Hazard Mitigation Advisors

Applicant services; works with diverse citizens and businesses, providing advice and promoting rebuilding techniques for homes and businesses that will prevent or reduce losses from future disasters. Disseminates mitigation and insurance information. Reports and logs pertinent information gathered from public contacts and other sources.

### Disaster Recovery Center (DRC) Mitigation Supervisors

Large team management position. Field supervision of Mitigation Advisors in statewide remote locations. Oversees logistics and administrative functions and the training and development of Hazard Mitigation Advisors. Coordinates with DRC managers to optimize disaster assistance applicant routing and maximize opportunities for interviews.

### Hazard Mitigation Economic Analysis

Reviews proposed mitigation projects to determine benefit cost; provide technical assistance to state and local governments in benefit cost analysis. Conducts loss avoidance studies.

### Architects

Performs architectural review of a wide range of projects, plans, and contracts for principles of design and agency standards and policies. Recommends architectural solutions and hazard mitigation for damaged public buildings.

### Writers-Technical and Consumer Product Development

Coordinates, identifies, and investigates the documentation of mitigation successes and best practices. Gathers information from residential, commercial, public and voluntary agency segments of the community to develop, write/edit, and produce mitigation best practices stories for mass distribution. Works closely with FEMA Public Affairs to develop stories that document, illustrate, and promote mitigation projects that minimized disaster damage.

Develops fact sheets and consumer information.

### Environmental Liaison Officers (ELO) and Environmental/Historic Preservation Specialists

The Environmental Liaison Officer manages the Environmental and Historic Preservation (EHP) compliance component of a disaster operation and represents FEMA's interests with federal, tribal, and state EHP resource agencies and organizations. The ELO's primary duties include developing and implementing EHP action plans based on JFO priorities, managing and supervising EHP staff, and coordinating with disaster programs to ensure EHP compliance. The Environmental and Historic Preservation Specialists provide technical assistance to FEMA's disaster programs to fulfill FEMA's legal responsibilities under various environmental and historic preservation laws, executive orders, and regulations. Under the direction of the Regional Environmental Officer, ELO, or appropriate team leader, the Environmental Specialist assists program staff in integrating environmental considerations into the development and review of projects proposed for FEMA funding. For this category only, if you apply, please clearly mark ENVIRONMENTAL/HISTORIC PRESERVATION CADRE on your application.

### Hazard Mitigation GIS Specialists

Provides, analyzes, and presents spatial data in the form of maps and data reports. Provides data that supports hazard mitigation activities. Coordinates data acquisition with other offices in disaster recovery.

### Computer Graphics Technicians and Media Production

Develops and produces FEMA disaster-specific mitigation graphics, photographic and other media presentations and publications for the hazard mitigation efforts. Creates the associated narrative and integrates it with professional presentation materials and briefing support packages. Uses creative skills to develop a meaningful message to diverse audiences.

### Publications Development & Distribution Management

Manages and supervises the design, development, and mass distribution to diverse audiences of print and electronic media in support of FEMA, state, and local community education and outreach projects. Creates and delivers mitigation presentation and promotional materials: graphics, posters, signage, and

others. Provides publications support in response to changes that require immediate alternate policy or program direction. Organizes and maintains mitigation publications inventory and manages mass distribution to Disaster Recovery Centers (DRC), Mitigation Assistance Centers, community meetings, special events, and various state, county, and city officials. Maintains an orderly and safe publication storage and distribution area.

## **Hurricane Disaster Volunteering – EMAC**

Hurricane disaster volunteer assistance from state and local governments and other volunteer organizations is being processed and coordinated through the Emergency Management Assistance Compact (EMAC). Michigan's state and local units of government and other volunteer organizations interested in providing mutual aid to disaster-impacted communities and states should contact the State Emergency Operations Center (SEOC). Call 517-333-5032 for more information. The SEOC is Michigan's central coordination facility for governmental response to EMAC disaster situations. All state, local, and volunteer organizations interested in providing assistance are strongly urged to use the EMAC structure and its protocol.

The EMAC was established in 1996 and is a model for providing interstate mutual aid to provide coordinated assistance across state lines during disasters situations. Under the terms of the compact, disaster states can submit requests for assistance from other member states. Assisting states can offer available personnel volunteers, equipment, and supplies that meet the needs and fulfill the assistance requests made by affected states. EMAC is administered through the National

Emergency Management Association (NEMA), which provides day-to-day support and technical support for EMAC through a nationwide internet broadcast system and strict protocol.

The EMAC protocol provides a means of formal agreement and accountability between the requesting states and assisting organizations where the requesting states agree to assume liability for out-of-state workers deployed under the EMAC and to reimburse assisting organizations for deployment-related costs. Deployment costs are paid by the assisting state, and reimbursement is received from the requesting state.

The EMAC deployment is normally for 14 days with a day of travel on each end. Specific requests for assistance may identify different deployment periods as required to meet the needs of the request. EMAC member states have agreed to accept the licensure and certifications of individuals from member states. Individuals deployed through EMAC are considered agents of the requesting state for tort liability, workers' compensation, and insurance purposes.

## **ASFPM's Executive Director Comments on Katrina How to Rebuild After Hurricane Katrina – and Should We?**

*By ASFPM Staff*

The effects of Hurricane Katrina are extending far beyond the states of Alabama, Florida,

Louisiana, and Mississippi. It may, in the words of academics, present the field of disaster

management with a paradigm shift. At the very least, it will force governments, citizens, and disaster management professionals to review the current positions held on construction and reconstruction in areas at risk to natural hazards.

On September 9, 2005, Larry Larson, Executive Director, Association of State Floodplain Managers (ASFPM), along with Mark Davis from the National Wildlife Federation and Gerry Galloway of the University of Maryland, spoke at a National Press Club press conference in Washington, D.C. At the press conference, ASFPM's white paper *Hurricane Katrina: Reconstruction Through Mitigation* was presented.

ASFPM's position regarding reconstruction in the Gulf Coast area was that governments and local citizens should not rush to rebuild for rebuilding's sake. Rather, the reconstruction of structures and communities damaged by Hurricane Katrina and at risk for future damage should be done based on sound planning and mitigation principles. A summary of the main points of the white paper is as follows:

1. Reconstruction along the coast must be done in compliance with regulations and codes. Now is also the time to collect and analyze data from this storm to determine if our current mapping and management approaches worked and what adjustments are needed based on an actual event.
2. If the New Orleans area is to be rebuilt, two things must happen concurrently:
  - a. Structural protection must be provided to the 500 year/cat 5 level; and
  - b. The coastal wetlands must be protected/restored to buffer future storms.

Mr. Larson expanded further on the issue of the reconstruction of New Orleans in ASFPM's *The Insider* (September 2005). In the September 2005 article, Mr. Larson stated the public can say that cities like New Orleans, Miami Beach, St. Louis, Los Angeles, San Francisco, and

others should not be where they are because they are at great risk of natural hazards. If they did not exist today, data and information is available that could perhaps guide them to safer locations. But these cities already exist, and the tremendous political pressure to keep them there would outweigh the scientific voice to abandon any such city, its heritage, culture, and its people.

The economic impact of the New Orleans coastal area is immense. Indications are that a third of the goods flowing through U. S. ports go through New Orleans, and that 15 to 20 percent of the nation's gasoline comes from refineries in the area. Such facilities cannot exist without workers and the infrastructure to support them. To create that infrastructure elsewhere now would be even more costly than reconstruction.

Mr. Larson continued in the article by saying not reconstructing New Orleans won't happen and the question posed is not should New Orleans be reconstructed, but rather how should it be reconstructed. ASFPM's basic position has always been that structural works are a poor alternative to reduce flood losses. But when they are the only viable option (and in this case, that is how the nation's decision makers see the New Orleans area), the structural protection must be more than the minimum standard of the 1 percent chance flood event that is used to protect structures in ordinary floodplains. The logic of this is that a flood larger than the predicted 1 percent will do minor damage to a structure elevated to the 1 percent level, but will have catastrophic consequences to those structures protected by structural measures such as levees and dams, once that structure fails or is overtopped. This is true, because structures behind levees are typically not elevated at all.

If the New Orleans area is going to exist because it has structural protection, continued Mr. Larson, then the levees must be designed not only for the 500-year flood, but for a Category 5 hurricane, whichever is greater. While that will be enormously expensive, the alternative costs of the disaster are now clear. At the same time, investment must be made in the protection of the coastal ecosystem that will preserve and restore the wetlands, which in turn provide the buffer for the Southeast

Louisiana area. Existing data has indicated that for every 2.7 miles of wetland buffer, the hurricane storm surge drops 1 foot. Therefore, if the nation decides it wants the New Orleans area to be there, both the 500-year/Category 5 protection and the wetlands buffer protection/restoration must occur concurrently. Many reasons exist to support the ecosystem restoration beyond flood protection, ranging

from the economic arguments through the natural resource issues and environmental issues.

ASFPM's white paper, *Hurricane Katrina: Reconstruction through Mitigation* can be downloaded at [www.floods.org](http://www.floods.org). Questions or comments can be sent to [asfpm@floods.org](mailto:asfpm@floods.org).

## 2005 FEMA Map Mod Scoping Meetings Completed

FEMA, in partnership with the consulting firms of FMSM (Fuller, Mossbarger, Scott, & May) of Louisville, Kentucky; PBS and J of Beltsville, Maryland; and the Michigan Department of Environmental Quality, has completed the 2005 map modernization county-wide scoping meetings for nine Michigan counties: Allegan, Cass, Clinton, Eaton, Genesee, Huron, Ingham, Lapeer, and St. Clair. The scoping meetings were held in July and August and are the first step in the partnering process with each county and their communities that will result in new updated digital flood maps for all communities within the county. The time frame for completing a county-wide study and final production of the new digital flood maps is approximately two years. It is projected that the nine counties will have their new FEMA digital flood insurance rate maps (DFIRMs) in mid-year 2007.

All communities within each county were sent specific invitations by FEMA to attend the scoping meetings and become an integral part of the new mapping process. Those communities that participated were very helpful in identifying areas that need study and in identifying sources of data and information. This helps the FEMA mapping consultants compile the most complete and updated flood study for each county possible using the available funds and resources. The anticipated

fiscal year 2005 federal funding allocations for commencing the map production process for the above nine counties is \$2.364 million.

Eight Michigan counties are currently involved in the county-wide flood study and map production process by starting this same process in 2003 and 2004. Those counties include: Berrien, Kent, Livingston, Macomb, Oakland, Ottawa, Washtenaw, and Wayne. Berrien will be the first Michigan county to complete the entire map modernization process, with its new DFIRMs projected to become effective in April 2006.

All of Michigan counties, will have their FEMA flood maps updated through this process. Michigan's counties have all been rated with a priority ranking of when they will go through the process. That ranking has been based primarily upon the need to identify flood prone areas where there are no current maps and where there is a known or expected level of risk due to development pressures. The current priority ranking for Michigan counties is part of the nationwide "Multi-Year Flood Hazard Identification Plan" draft FY05-06." The draft plan is available for review at FEMA's website address of [http://www.fema.gov/fhm/mh\\_mhip\\_ver1\\_5.shtm](http://www.fema.gov/fhm/mh_mhip_ver1_5.shtm), and pages 42-44 of Appendix A has the Michigan county priority rankings.

## 2005/2006 MSFA Scholarship Award Recipients

The Michigan Stormwater-Floodplain Association board of directors and officers have chosen to provide two \$1,500 scholarships for the 2005/2006 school year scholarship. The scholarships are

granted to junior, senior, or graduate engineering students specializing in some study area related to stormwater-floodplain management.

The two selected candidates are Ms. Nancy-Jeanne Bachmann and Ms. Tracy Kerchkof. Their backgrounds are given below.



**Nancy-Jeanne Bachmann**

Nancy-Jeanne Bachmann is a Master's candidate in environmental engineering at Michigan Technological University. She plans to evaluate the effectiveness of natural ecosystem functions in stormwater management such as the impact of decreasing stormwater contributions to overburdened storm sewers, recharging aquifers, minimizing stream degradation, and mitigating disastrous and costly flooding.

Ms. Bachmann received a baccalaureate in biology from Principia College in Elsah, Illinois, graduating with highest honors. While at Principia, she worked on a wetland restoration project to stabilize the soils leading into a pond, mitigate sedimentation, and restore the natural ecosystem benefits of the wetland, while providing an educational tool for the campus community. While a student, her summers were spent as a restoration intern for Citizens for Conservation (CFC), a non-profit conservation organization in a greater Chicago suburb.

After graduation, she worked part time as an associate ecologist at Applied Ecological

Services, Inc. (AES), a Wisconsin-based environmental consulting/engineering firm that specializes in utilizing natural ecosystem benefits in soil stabilization, flood control, stream bank stabilization, stormwater management, and sedimentation control. Her involvement in various projects included hydrologic monitoring, analysis and mitigation of stream impacts from development or construction, application of Best Management Practices (BMPs) to stormwater management, wetland mitigation banking, conservation developments, rain gardens, wetland delineations, and field reconnaissance.



**Tracy Kerchkof**

Tracy Kerchkof, of Roseville, Michigan, is a Biosystems Engineering student at Michigan State University. Her professional interests include soil and water conservation engineering and animal waste management. She served as a full-time engineering intern for eight months with the U.S. Army Corps of Engineers, Detroit District, during the summer and fall of 2004. This past summer she worked full time with the U.S. Department of Agriculture, Natural Resources Conservation Service, in Indiana and plans to return for a second season during the summer of 2006. She will complete her



Bachelor of Science in Biosystems Engineering in May 2007.

She received the Clarence and Thelma Hanson Scholarship Award for scholarship, leadership, and service to the Biosystems Engineering profession in the spring of 2004 and 2005. She has been on the MSU Dean's List every semester and has maintained a cumulative grade point average of 3.8/4.0. Tracy is a College of Engineering Ambassador and is a member of the Liberty Hyde Bailey Scholars Program.

Along with attending Michigan State University full time, Tracy is assisting Dr. Tim Harrigan of the Biosystems and Agricultural Engineering

Department, with research on issues such as how cropping and nutrient management impacts soil and water quality at the field and watershed level. Outside of school, she enjoys cycling, hiking, and reading.

As she stated in her application essay, "My long term plan is to find a place to work that is challenging and dynamic enough to devote myself to for a long period of time. I believe that working in outreach and working directly with landowners to help them with land use and other natural resource issues will offer me this challenge." Whatever she does, she would like to keep her focus on natural resource conservation in agricultural watersheds.

## City of Sterling Heights Has Saved Its Flood Insured Citizens Another 5 Percent

In May of this year the City of Sterling Heights of Macomb County was recognized by the FEMA Community Rating System (CRS) as having successfully improved its floodplain management program to a level that qualified for its CRS rating to change from 8 to 7. Such a rating is based on a scale of 10 to 1, with lower numbers being better. Each step reduction in the rating scale results in a 5 percent reduction in the flood insurance premiums paid by the community's citizens. This recent CRS rating change equates to a 15 percent savings that improved floodplain

management efforts by the city that exceeds the NFIP requirements has provided to its flood insurance policy holders. The community has 84 flood insurance policies in force that total \$15,940,400.

The city entered into the NFIP emergency program in 1973, was rolled into the regular program in 1981 when flood hazard maps were developed by FEMA, and subsequently entered into the CRS in 1994. It is estimated that there are 1,100 to 1,200 citizens and 480+/- structures in the community's identified flood hazard areas.

**Editor's Note:** The following articles provide information about the flood zone determination industry. It is hoped that these articles will help readers understand this service provider industry better and how it affects real estate.

## The World of the Flood Zone Determination Industry

The floodplain management staff of the Michigan Department of Environmental Quality often receive inquiries from property owners regarding the need to obtain flood insurance. Many inquiries are from persons who currently own their residence and are re-mortgaging or pursuing a home equity loan. They often find the lender requires proof of flood insurance before the loan can be consummated. The callers usually indicate that they never were

required to have flood insurance before and they wonder why all of a sudden it is needed and why they are now considered in a floodplain when they weren't before.

One obvious reason for this situation is that the FEMA had not identified special flood hazard areas within the community until after the citizens last obtained a home loan of any kind. Now, with the newly identified flood hazard

areas the community falls under the requirements of the NFIP, which requires the purchase of flood insurance for mortgaged structures. Citizens are duly notified by the lenders of this pursuant to the NFIP regulations.

In the past, lenders often were not diligent in determining if structures were located in flood hazard areas and were not requiring flood insurance for many structures located in flood hazard areas as required by the NFIP regulations. Lenders were not penalized for not requiring flood insurance when it should have been. Changes were made in the NFIP regulations in 1994 that authorized the FEMA to impose civil penalties against lenders for not requiring flood insurance when necessary.

The authorization of civil penalties and subsequent FEMA actions against non-compliant lenders resulting in fines caught the lending industry's attention. It is now more of a standard practice for lenders to evaluate the location of structures relative to flood hazard risk and to require flood insurance as a prerequisite for a home loan. Enter the "flood zone determination service industry". This service industry has developed to provide flood zone determinations on behalf of lenders that do not want to make the determinations themselves, but still want to be NFIP compliant and competitive.

Most lenders will contract with a service company trained and knowledgeable in floodplain management to make those determinations that become the basis for the lender's decision to require a mortgagor to obtain flood insurance.

The FEMA official special flood hazard maps and accompanying community specific flood insurance studies are used by the flood zone determination service companies to determine a structure's location relative to the 1% chance flood hazard area. One very important factor that will effect the confidence level in a determination company's findings is the accuracy and level of detailed information found on the effective FEMA flood hazard maps and FIS. The more detailed a FEMA map and study are, the greater the confidence level that the findings are accurate and more closely they will

represent the real relationship of a structure to flood risks.

FEMA does not regulate or rate flood zone determination service companies as far as their qualifications, knowledge, and abilities to make proper and accurate determinations. Companies using the same base maps and having the same level of background knowledge of floodplain management should theoretically make the same determination on any structure they review. However, differences in determinations do occur because the review and accuracy standards and level of risk vary with each flood zone determination service company.

The lack of consistent standards in the flood zone determination industry has led some to question the trustworthiness and actual benefit that the industry provides to floodplain management and the NFIP. Flood insurance and governmental NFIP stakeholders are working to provide a method of self regulation within the industry initially through the creation of the National Flood Determination Association (NFDA) and by subsequent development of a certification program administered by the association. The NFDA is a non-profit organization dedicated to promoting interests and success of its members involved in conducting flood zone determination reviews and the distributing and reselling of the flood zone determination findings. Its membership includes flood zone determination service companies, their vendors, re-sellers and other industry associates.

It took seven years to develop the certification program and in 2005 the first exam was administered. Ten firms were certified as meeting NFDA's stringent standards on seven key criteria. The established certification criteria keys are accuracy, business recovery capabilities, industry experience, financial viability, training of map research analysts, quality assurance, and record keeping. The real value in the flood zone certification program and its criteria become obvious when one considers that the current membership of the NFDA accounted for an estimated 33 million flood zone determinations in 2003. You may visit the website address of

[www.floodassoc.com](http://www.floodassoc.com) for more information on the NFDA and its certification program.

Just as the flood zone determination companies establish their own individual standards for business operations and the level of risk they are willing to accept in making the flood zone determinations, so, do the lenders establish risk levels for their operations. Their choices can vary on a scale of very liberal to very conservative. The ultimate decision as to whether flood insurance will be required beyond the NFIP requirement is the lenders' choice. They could choose to be ultra conservative and require flood insurance on every mortgage they

issue just as they would require a home owners insurance policy. Even if a structure is far far removed from any flood risk, a lender could still require flood insurance. If a citizen is faced with a situation where a lender is requiring flood insurance and there appears to be very good evidence that the structure being mortgaged is not in a flood zone regulated by the NFIP then the citizen has the option of shopping around for another lender.

For more information on the flood zone determination business please see other related articles.

## Who is the NFDA?

*From NFDA Website*

The National Flood Determination Association (NFDA) is a national nonprofit organization comprised of flood zone determination companies, their vendors, and re-sellers. The association is dedicated to the interest and success of members involved in the making, distributing, and reselling of flood zone determinations.

### **Mission Statement:**

"To promote the common interests and well being of companies engaged in making, distributing, or selling of flood zone determinations."

### **Goals:**

- Promulgate industry guidelines of standards and ethics
- Provide mechanisms for communication and the exchange of information within the industry
- Foster awareness of the role and importance of the industry among other NFIP constituencies
- Serve as a collective industry voice on legislative and regulatory issues

You may visit the website of <http://www.floodassoc.com> for more NFDA information.

## NFDA Awards Its Certification to Ten FZD Companies

*From NFDA Website*

Although the moment passed quietly, it represented a milestone in the maturation of the flood zone determination industry – the National Flood Determination Association (NFDA) recently completed its certification process for the first group of applicants.

Following a rigorous examination, ten companies have been certified as meeting the NFDA's stringent standards on seven key

criteria: accuracy, business recovery capabilities, industry experience, financial viability, training of map research analysts, quality assurance, and recordkeeping. Peer and independent auditor reviews validated each applicant company in these areas.

"Considering that our members completed in excess of 33 million flood zone determinations in 2003 alone, establishing industry standards

### 2005 NFDA Certificate Recipients

Access Information Systems, Inc.  
American Flood Research, Inc.  
Charles Jones, LLC  
First American Flood Data Services  
LandSafe Flood  
LSI Flood Services  
Midwest Flood Zones, LLC  
Nationwide Real Estate Tax Service, Inc.  
Nationwide TotalFlood Services, Inc.  
TransUnion Settlement Solutions, Inc.

and implementing the certification program is especially timely,” said Cheryl Small, President of the NFDA. The NFDA Certification Program is also designed to recognize companies that maintain standards of excellence, foster professionalism, and advocate quality services within the industry.

### The Certification Process

The certified companies each submitted a statistical sample of flood zone determinations performed over a one-year period to an independent data processing company, who in turn sent random blind samples to a group of control companies for audit. The certified companies met the NFDA’s 99 percent

accuracy standard in identifying Special Flood Hazard Areas. In addition, an independent auditor reviewed each applicant company’s business recovery plan, training program, quality assurance program, and recordkeeping procedures. Each certified company demonstrated that they maintain adequate insurance, reserves, and other measures of ability to meet financial obligations.

### Learning more about NFDA certification

Rick Catalano is the current Certification Committee Chairperson. Mr. Catalano may be reached at American Flood Research, 1820 Preston Park Boulevard, Suite 1100, Plano, Texas 75093; telephone 800-995-8667, extension 106. The Committee is working on the next certification cycle and will announce the application period in the near future. NFDA membership is not required to apply for, or become, a certified company. While NFDA certification can be used as a tool in the evaluation and selection of flood zone determination providers, it does not replace due diligence processes. NFDA certification cannot guarantee the performance of an individual company; it confirms that a company, at a certain point in time, met the standards to achieve NFDA certification. More information about the certification process can be found at [www.floodassoc.com](http://www.floodassoc.com)

## Everything You Thought You Knew About Flood Determination But Were Afraid to Ask

*By Mark Hamlin (Now retired from a 15-year expert role in the flood zone determination business)*

When I tell people that I own a company that provides flood determinations over the web, it’s not exactly a zippy conversation starter unless they want to complain. Then we’re both in for a long and lively chat.

Consumers often see the requirement for flood insurance as a cost with little benefit. Loan officers see it as an obstacle to closing a loan, not to mention its potential to sour the relationship with their customer borrower. The requirement can even kill a deal. While homeowners readily accept the need for fire

insurance, they often resist the need for flood insurance.

So, why have this process? Well, of course, there’s the number one reason: it’s the law, so all banks have to do it. It’s not like a borrower can go down the street to another lender who won’t require it. Yet, the National Flood Insurance Program (NFIP) provides significant social benefit.

Let’s review the program benefits. First and foremost, FEMA’s designation of a parcel as being in a Special Flood Hazard Area (SFHA)

puts homeowners, civil officials, and those involved in local government on alert. It says, "Be prepared, the potential for flooding is once in 100 years or greater." Second, the program requires communities to engage in floodplain management. This results in flood control projects, improved planning, and special building regulations for structures in flood zones (such as raised foundations or special grading). It also gives consumers in flood hazard areas the ability to insure themselves against the risk through the National Flood Insurance Program (NFIP). Flooding is an excluded peril on nearly all homeowners' policies.

As you can tell, I've given this speech a lot, often to people who believe they understand what we do. I say "believe," because there are myriad myths about flood determination and what it means to lenders and their customers. Here are a few of the more popular ones.

**Myth 1:** Flood determinations are cut and dry; it's just a matter of getting the FEMA maps.

**Fact:** Not so. The data's not always together in a readily available form. You can't just read a FEMA map and assume that it will have all the answers. The truth is that about five percent of all properties require difficult and time-consuming work to make a determination. To get a complete flood determination, we combine FEMA's maps with our own Geographic Information System (GIS, or computerized mapping), advanced address standardization, advanced geocoding, and our own proprietary community and township maps.

Sometimes, the widespread belief in this myth can disrupt our relationships with the lenders we serve. Recently, we were working with a large regional bank that objected to the fact that some determinations were returned to them in a partial status (partially in a flood zone). Our contact couldn't understand why we could not simply say "in" or "out". The problem, in this not-atypical scenario, was that parts of these lots were in a Special Flood Hazard Area (SFHA) and other parts of the properties were not in a SFHA (NSFHA). To determinate the proper designation, we needed to know the location of the structure on the lot, relative to the SFHA. Once the lender understood the

problem, they readily understood and accepted the need for more information. Thus, this meeting culminated in several ideas and actions that improved service and smoothed the process. This brings us to Myth Number 2.

**Myth 2:** The only determinant that matters is whether or not the parcel is designated as being in a SFHA.

**Fact:** Actually, a lot depends on the location of the house on the property. The requirement for flood insurance is based upon the structure, not necessarily the parcel. If any part of the structure is in a SFHA, the lender must require the insurance. Additionally, the lender can require the insurance any time they think there is a flood risk, whether or not the structure is in an SFHA.

**Myth 3:** Changes in flood hazard status are automatically added to the FEMA flood maps.

**Fact:** Not true. When a LOMA (Letter of Map Amendment) or a LOMR (Letter of Map Revision) removes an individual structure from a flood zone, or a whole area of a map, the only people who are issued copies are the current property owner, the local community, and FEMA. The maps are not reissued, nor is the data organized and available in a systematic manner. The most typical result is that a borrower has to show his or her LOMA or LOMR to the bank, who in turn provides the information to the flood company, who then revises the property's flood status.

**Myth 4:** All FEMA flood maps are complete.

**Fact:** The challenge to those of us in the flood determination industry is that they aren't. The maps often omit streets and street names, addresses, or parcel information. Often, they do not have information on LOMAs and LOMARs. Therefore, all flood determination companies have to obtain additional information in the form of street maps and tax maps from sources other than FEMA. Good flood determination vendors use such information to enrich their databases.

**Myth 5:** Once the flood determination is made, it stays with the property for the life of

the loan.

**Fact:** Not true. FEMA can change the designation of a specific property or area. We in the industry take it as our responsibility to provide notices to lenders when the property's SFHA status changes. Then, it becomes the responsibility of the lender to notify their borrowers who are affected by zone changes. Lenders in these circumstances face two challenges: 1) to handle the notification in a cost-efficient manner, and 2) to deal with the fallout from some customers, who might retort, "Last week I wasn't in a flood zone and now I am?" At that point, no one's happy. The

lender, of course, has no choice but to let the property owner know and to require flood insurance. Moreover, if the consumer does not voluntarily purchase an insurance policy, the lender must force-place the flood insurance within 45 days of the time when they became aware of the change.

Flood determinations are not just a matter of law. They are a way to put everyone on alert of a potential, but insurable, risk. Additionally, flood disaster risk is reduced by this active floodplain management program. Once lenders can explain this to borrowers, it makes the process far more pleasant for all involved.

## Questions and Answers

In an effort to provide service to and meet specific needs of floodplain managers and other citizens involved or impacted by floodplain management programs, we provide a question/answer segment as a regular item of the newsletter. Staff will select questions, received on a regular basis from the public and from other staff, that they feel may be of interest and value to others. Readers are encouraged to send in questions relative to issues involving floodplain management and the National Floodplain Insurance Program. Staff will review all submitted questions and select those that they believe are applicable to the intent of the newsletter and that can be efficiently researched and clearly answered.

Questions can be e-mailed to [thomasl@michigan.gov](mailto:thomasl@michigan.gov) or sent to Les Thomas, Michigan Department of Environmental Quality, Land and Water Management Division, PO Box 30458, Lansing, MI 48909-7958.

**Question:** What is a "flood zone determination" as it relates to a mortgage?

**Answer:** It is a process used by lending institutions to meet their federal banking regulation requirements to make an evaluation of whether or not the structure that they are processing a loan for is in the 1 percent chance flood hazard area. Lenders can do this evaluation themselves or, as most elect to do, hire such service provided by firms that make flood zone determinations their sole business.

**Question:** How do lenders find flood zone determination companies?

**Answer:** The Federal Emergency Management's (FEMA) website of <http://www.fema.gov/nfip/fzone1.shtm> provides a list of companies that are in the business of providing flood determination services. FEMA makes the following note regarding the list: "FEMA does not attest to the quality of accuracy of the services offered. That must be determined by potential users of those services. FEMA does not approve, endorse, regulate, or otherwise sanction any company on this list."

**Question:** If I disagree with my lender's determination that I am in a floodplain, what can I do?

**Answer:** In some cases, a lender determines that a property is in the Special Flood Hazard Area (SFHA), but the property owner disagrees. The SFHA is also known as the 100-year floodplain. It is more precisely defined as the floodplain associated with a flood that has a 1 percent annual chance of being equaled or exceeded in any given year. Therefore, the SFHA is not a flood event that happens once in a hundred years; rather, a flood event that has a 1 percent chance of occurring every year.

Property owners in this situation have a couple of options. They may apply for a Letter of Map Amendment (LOMA), or a Letter of Map Revision - based on Fill (LOMR-F) (if fill placement is the basis of the request). In addition, property owners may apply for a Letter of Determination Review (LODR).

Forms for these purposes can be found on our web site at [http://www.fema.gov/fhm/frm\\_main.shtm](http://www.fema.gov/fhm/frm_main.shtm). The following paragraphs describe first the LOMA or LOMR-F process, followed by the LODR process. Upon receiving a completed MT-EZ (for LOMAs) or MT-1 (for LOMR-Fs) application, FEMA reviews property-specific information (including surveyed elevation data; typically the elevation of the lowest adjacent grade of the structure in question, provided by a licensed land surveyor. Note: The homeowner may be required to hire a land surveyor to perform this elevation survey, if this data is not readily available), and makes a final flood zone determination for the property. Once an application and all necessary data are received, the determination is normally issued within 30 to 60 days. If the LOMA or LOMR-F removes the SFHA designation from the property, it can then be presented to the lender as proof that there is no federal flood insurance requirement for the property. However, even though a LOMA or LOMR-F may waive the federal requirement for flood insurance, a lender retains the prerogative to require flood insurance. No fee is charged for the review of a LOMA; however, there is a \$425 review fee for a LOMR-F.

In addition, property owners may apply for a Letter of Determination Review (LODR). A LODR is a review of your lender's determination. In other words, the LODR is a process where FEMA reviews the same information your lender used to determine that your structure was located in a SFHA. It is important to note that the LODR process does not consider the elevation of the structure or property above the flood level; rather, it considers only the location of the structure relative to the special flood hazard area boundary shown on the FIRM. Thus, you should be aware that your lender does not consider the elevation of your property or structure when determining if your property or structure is in or out of the SFHA. FEMA reviews this information and issues its finding of whether the structure is located in the SFHA according to the current NFIP map. The request for such a letter must be jointly requested by the property owner and the lender no later than 45 days following the date the lender notified the borrower that the property is in a special flood hazard area. While this determination cannot consider the elevation of your structure or property, it can be useful if you feel the lender's interpretation of the map is incorrect.

To summarize, then, there are obviously some important distinctions between the two processes (LODR versus LOMA/LOMR-F).

1. The determinations are based on different data. The LODR process does not consider the (vertical) elevation of the structure or property above the flood level; rather, it considers only the horizontal location of the structure relative to the special flood hazard area boundary shown on the Flood Insurance Rate Map. The LOMA/LOMR-F process uses actual survey elevation data to determine if the property or structure is at or above the elevation of the SFHA.
2. There are different fees involved.

Process	Fee
LOMA	FREE
LODR	\$ 80
LOMR-F	\$425

3. The determinations result in different actions.

A LODR does not result in an amendment or revision to the National Flood Insurance Program map. It is only our finding regarding the structure's location with respect to a delineated special flood hazard area.

A LOMA or LOMR-F actually removes the SFHA designation from the property by letter.

*[from FEMA's website: <http://www.fema.gov/fhm/fq-gen11.shtm>]*

**Question:** Are local officials liable for making flood zone determinations?

**Answer:** The new Fannie Mae/Freddie Mac flood insurance guidelines require lenders to determine whether a structure is in a Special Flood Hazard Area (SFHA). The key distinction for government officials is between providing information and making a determination that a property is in or out of a SFHA. If you make a determination yourself and fill out the Standard Flood Hazard Determination Form (SFHDF), you could be liable for inaccuracies or misrepresentations. Local officials' only obligation is to have the information available and accessible to the public, including the determination companies.

Local officials should be extremely cautious about making flood zone determinations. The flood zone determination companies are being paid to use their expertise to make this determination and to guarantee that it is accurate. These companies cannot expect local officials to make the determination. This is not the local officials' responsibility; it is the lender's, under federal law.

If a local official chooses to assist property owners in determining their flood zone status, it should be made clear that the determination is for informational purposes only. The property owner's lender must still have an official determination done on an approved form, with the preparer's name, address, and telephone number listed. The preparer is the individual or company that made the determination, not the government agency or official that provided information. Local planning and zoning officials' names should not appear in this space. Local officials should make sure the lenders in their area understand this.

The making of flood zone determinations is a growing business, and competition is keen. There are over 100 companies providing the service. To cut costs, some companies simply call local officials and ask them to interpret a flood map over the phone. It's best to not provide the interpretation. The local official has no way of knowing if the property information they are given is accurate. It is the determination company's responsibility to visually interpret the correct map in making a determination. Any reputable company will have all the current maps for any area in which they do business. Local governments simply need to make the flood maps available for public review.

Communities currently participating in the Community Rating System (CRS) program may wish to take note of the requirements of Activity 320 – Map Information. This CRS activity is designed to reward communities for informing a requester of a property's flood zone status, not determine whether flood insurance is required. This activity does not create any liability for government officials. Make it clear to all requesters that the lender (or a third party hired by the lender) is still required to do an accurate determination and fill out the determination form.

*[Adapted from article in Flood News]*

**Question:** Joe and Mary are buying a new home. As the closing approaches, they are contacted by the mortgage company and told that they need flood insurance. They notify their agent, Helen Realtor, who calls the mortgage company and informs the lender that the survey shows the house is **not** in a flood zone. The mortgage company requests that a certification be obtained from a second flood certification company. This is done, and the report verifies Helen's claim that the property is outside the



flood zone. The lender agrees that flood insurance is not required. How do flood certification companies determine if property lies within a flood zone?

**Answer:** Flood certification companies utilize federal and county flood zone maps to determine whether or not property lies within a flood zone. Once the determination is made from a federal map that a property appears to be located within a flood zone, these results are compared with the county maps. If access to the survey of the property is available, this is used as an additional tool in the decision-making process. Finally, visual inspection of the property helps in determining if the developer has modified the topography of the land to raise the lot and/or home above the flood zone.

Flood zone lines can appear to come close to a house, and it is difficult to determine the exact location of a flood line merely from a map. For many new subdivisions, roads and streets have not yet been drawn on the maps, and the location of the lot can be difficult to discern. Once a flood certification company finds a lot to be located in a flood zone, check the survey to confirm these findings. If the survey shows that the house lies outside the flood zone, ask the lender for a re-evaluation by this or a different company. This may result in saving your client money and peace of mind.

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<p>Editor: Les Thomas Articles are by the Editor unless noted otherwise.</p> <p>For questions, comments, or information, contact:</p> <p>Les Thomas MDEQ LWMD P.O. Box 30458 Lansing, MI 48909-7958</p> <p>Telephone: 517-335-3448 Fax: 517-373-9965 e-mail: <a href="mailto:thomasl@michigan.gov">thomasl@michigan.gov</a></p>	<p>The MDEQ will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. Questions or concerns should be directed to:</p> <p>MDEQ Office of Personnel Services P.O. Box 30473 Lansing, MI 48909</p>	<p>This newsletter is supported by funding under a Cooperative Agreement with the Federal Emergency Management Agency. The substance and findings are dedicated to the public. The MDEQ, LWMD, is solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the federal government.</p>	<p>Printed by Authority of Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended.</p> <p>Total Number of Copies Printed: 2,800 Cost Per Copy: \$ .69 Total Cost: \$1,920.81</p> <p style="text-align: right;"><b>EQC2760</b></p>
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**Department of Environmental Quality  
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P.O. Box 30458  
Lansing, MI 48909-7958**

# **Michigan Floodplain Managers**

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